

NEWS FROM

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Money Tips for College Students: How to Make It, Use It and Save It

Learn how to pay for college

If you've decided to go to college or you're already there, you've made a smart money move. With a bachelor's degree, you can typically earn \$15,000 more a year than someone with just a high school diploma.

But you need to find the best way to pay for that college education, preferably with money you don't have to pay back.

Your best source of financial aid information will be the financial aid office at your college. A typical financial aid package includes grants, scholarships and student loans. You may also be able to work part-time to reduce the amount of money you have to borrow. Check with your financial aid office to see if you qualify for the work-study program. You can always find a job off-campus, too.

A formula set by Congress is used to calculate how much state and federal financial aid you can get. To find out, you and your parents need to fill out the Free Application for Federal Student Aid (FAFSA), available online at www.fafsa.ed.gov. If you're applying for a term that starts after July 1, you can't file the FAFSA before the preceding Jan. 1.

If you're already in college, you should still file a FAFSA to reapply for financial aid and get an award each year.

Your school may require an additional application for its grants and scholarships. Check with your financial aid office to find out.

A college education increases your earning potential and opens doors of opportunity. But keep in mind that when you take out a student loan, you're borrowing against your future earnings. Borrowing responsibly can improve your quality of life in the future. You need to compare lenders for both federal and private student loans to get the best deal. If you have to take out loans, federal loans are your best choice. Private loans should be your last resort.

These tips are brought to you by the Alabama College Loan Program and KHEAA–Alabama, which have helped thousands of students pay for college. For more information about student financial aid and college planning, visit www.alstudentaid.com; write KHEAA–Alabama, 100 North Union Street, Suite 390, Montgomery, AL 36104-3761; or call 334-265-9720, toll free (800) 721-9720.